

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6181

BILL NUMBER: SB 230

NOTE PREPARED: Jan 26, 2012

BILL AMENDED: Jan 26, 2012

SUBJECT: Worker's Compensation.

FIRST AUTHOR: Sen. Smith J

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill authorizes the Worker's Compensation Board (WCB) to certify one or more databases to be used to determine pecuniary liability of an employer or an employer's insurance carrier for a specific service or product covered under worker's compensation or occupational diseases compensation.

The bill establishes a proof of coverage filing fee of \$2.00, and specifies that the fee be deposited in the Worker's Compensation Supplemental Administrative Fund to pay the WCB's expenses related to health provider claim dispute resolution. It allows an insurance carrier filing proof of coverage on behalf of an employer to update the WCB's records and pay the filing fee on the last business day of each quarter or at another time the WCB specifies by rule.

Effective Date: July 1, 2012.

Explanation of State Expenditures: (Revised) The bill authorizes the WCB to certify a database or databases to determine reimbursement rates for medical services or products under worker's compensation or occupational diseases compensation. It is uncertain how the use of certified databases will affect reimbursement rates. If the use of the database increases rate transparency and reduces the number of disputes concerning Worker's Compensation reimbursement rates between employers and employers' insurance companies and medical providers, the WCB's expenses related to those disputes would decrease.

Explanation of State Revenues: Under the proposal, employers filing evidence of worker's compensation insurance coverage would be required to pay an annual \$2 filing fee which would be used to pay the WCB's

expenses to resolve health provider claim disputes. The Worker's Compensation policy count per year ranges from 108,000 to 112,000. The \$2 filing fee would generate between \$216,000 to \$224,000 annually. The funds would be deposited in the Worker's Compensation Supplemental Administrative Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Worker's Compensation Board.

Local Agencies Affected:

Information Sources: Linda Hamilton, Chairman, Worker's Compensation Board, 317-232-3809.

Fiscal Analyst: Camille Tesch, 317-232-9866.